

THE IMPERIAL *Flo-glaze* PAINTS LTD.

Industrial Finishes

Flo-glaze Colorizer

AR28

2-20 Morse St.
TORONTO 8, CANADA

DEC 2 1958

November 14th, 1958

TO THE SHAREHOLDERS:

The Directors have pleasure in presenting herewith the Annual Report of our Company, including the Balance Sheet, Earnings Statement and Earned Surplus for the year ended August 31st, 1958, as certified by the Company's Auditors.

It is gratifying to report an increase in Sales, making it the top year in our history. We believe our shareholders will consider the result a satisfactory showing, as it is equivalent to 15.28 times the Preference Dividend and \$4.13 per share of Common Stock.

We have maintained our regular quarterly dividends at the rate of \$1.50 per share per annum on the Preference Shares, and on the Common Shares at the rate of \$1.30 per share per annum. We have again decided to pay a bonus dividend on Common Stock, so the Directors declared the following dividends payable on December 1st, 1958, to all shareholders of record on November 19th, 1958:

1. Regular quarterly dividend of $37\frac{1}{2}\text{¢}$ per share on Preference Stock.
2. Regular quarterly dividend of $32\frac{1}{2}\text{¢}$ per share on Common Stock.
3. A bonus dividend of 10¢ per share on Common Stock.

Due to general business expansion in British Columbia we decided, if we wished to continue doing business in that province, we must be competitive. Therefore we have purchased a 58% controlling interest in both The Imperial Paint Co. Ltd., to handle distribution of trade lines, and The Spectrum Co. Ltd., for manufacturing Paint products.

Our Earned Surplus shows a healthy increase and now totals \$1,902,645, and our Working Capital also shows an increase to \$1,495,928. This is of considerable help in financing our expanding business.

We look forward to the future with confidence in our ability to secure our fair share of available business, although due to the uncertain international situation, it is difficult to forecast what our results will be a year from now.

On behalf of the Directors, I would like to express their appreciation of the continued loyal support and co-operation of the staff throughout the year.

G. C. McEWEN,
President.

THE IMPERIAL *No-glaze* PAINTS LTD.

(Incorporated under the Laws of the Province of Ontario)

BALANCE SHEET AUGUST 31, 1958

		ASSETS	
CURRENT ASSETS		1958	1957
Cash.....		\$ 821	\$ 829
Accounts receivable—sales of our products for which settlement has not been received, less amount set aside to take care of any questionable accounts.....		718,759	657,344
Due from subsidiary companies on account of merchandise purchased and cash advances....		76,259	
Raw materials, partly manufactured goods, finished products and supplies on hand, valued at cost or market, whichever is the lower.....		1,244,312	1,236,232
Investments in other companies at less than the present market value.....		6,347	6,347
Life insurance on three directors with the company as beneficiary, at present cash surrender value.....		42,272	39,102
Prepaid expenses, civic taxes and insurance premiums.....		12,379	31,520
<i>Total Current Assets</i>		<u>\$2,101,149</u>	<u>\$1,971,374</u>
Investment in shares of subsidiary companies at cost.....		\$ 96,587	
FIXED ASSETS			
Buildings, machinery and equipment—at depreciated value as at June 30, 1951 as certified to by Canadian Appraisal Co. Ltd. (\$1,351,743) plus subsequent additions at cost.....		\$2,062,581	\$2,029,912
<i>Less: Accumulated amount set aside on our books each year for depreciation of above fixed assets</i>		1,484,414	1,371,226
		\$ 578,167	\$ 658,686
Land owned—valued at cost.....		117,362	109,862
<i>Total Fixed Assets</i>		<u>\$ 695,529</u>	<u>\$ 768,548</u>
OTHER ASSETS			
Trade marks and rights.....		\$ 1	\$ 1
		<u>\$2,893,266</u>	<u>\$2,739,923</u>
		LIABILITIES	
CURRENT LIABILITIES		1958	1957
Bank advances.....		\$ 53,521	\$ 33,175
Accounts payable—for raw materials bought and due for payment in September and other liabilities accrued to date.....		416,375	372,138
Estimated balance owing Federal and Provincial governments covering income taxes for the fiscal year ended August 31, and other taxes.....		113,231	130,485
Quarterly dividends payable to shareholders, September 1.....		22,094	22,094
<i>Total Current Liabilities</i>		<u>\$ 605,221</u>	<u>\$ 557,892</u>
Capital surplus arising through appraisal of fixed assets June 30, 1951 (less amount transferred to accumulated depreciation \$45,874).....			<u>\$ 45,874</u>
CAPITAL AND SURPLUS			
<i>Capital Stock</i>			
Preference shares (no par value) \$1.50 cumulative, participating, convertible, redeemable at \$30.			
Authorized—20,000 shares			
Issued and fully paid—10,722 shares.....		\$ 268,050	\$ 268,050
Common shares (no par value)			
Authorized—60,000 shares			
Issued and fully paid—55,610 shares.....		117,350	117,350
		<u>\$ 385,400</u>	<u>\$ 385,400</u>
Earned surplus—accumulated balance of earnings left in business to provide additional working capital.....		1,902,645	1,750,757
		<u>\$2,288,045</u>	<u>\$2,136,157</u>
		<u>\$2,893,266</u>	<u>\$2,739,923</u>

In accordance with Section 89 of The Corporations Act (Ontario) the accounts of the subsidiary companies (not wholly owned) have not been included in the foregoing balance sheet and the company's proportion of the aggregate losses less profits amounting to \$1,349 has not been included in the earnings statement for the year.

Approved on behalf of the Board:

G. C. McEWEN, Director

S. E. CLARK, Director

THE IMPERIAL *Flo-glaze* PAINTS LTD.

EARNINGS STATEMENT

	<i>Years ended August 31</i>	
	<i>1958</i>	<i>1957</i>
Earnings after providing for all selling and administration expenses, but before providing for the following items.....	\$ 547,551	\$ 549,143
Income from investments.....	786	661
	<u>\$ 548,337</u>	<u>\$ 549,804</u>
<i>Deduct:</i>		
Provision for depreciation (on cost values).....	\$ 79,887	\$ 87,975
Provision for income taxes.....	222,000	218,000
Directors' fees.....	625	500
	<u>\$ 302,512</u>	<u>\$ 306,475</u>
Net earnings transferred to Earned Surplus.....	<u>\$ 245,825</u>	<u>\$ 243,329</u>

EARNED SURPLUS

Surplus at beginning of year.....	\$1,750,757	\$1,601,365
Net earnings for year as above.....	245,825	243,329
	<u>\$1,996,582</u>	<u>\$1,844,694</u>
<i>Deduct:</i>		
Dividends:		
Preference—\$1.50 per share.....	\$ 16,083	\$ 16,083
Common —\$1.40 per share.....	77,854	77,854
	<u>\$ 93,937</u>	<u>\$ 93,937</u>
Surplus at end of year.....	<u>\$1,902,645</u>	<u>\$1,750,757</u>

AUDITORS' REPORT

To the Shareholders,

The Imperial Flo-glaze Paints Limited,

We have examined the balance sheet of The Imperial Flo-glaze Paints Limited as at August 31, 1958 and the related statements of earnings and earned surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and related statements of earnings and earned surplus present fairly the financial position of the company as at August 31, 1958 and the results of its operations for the year ended on that date according to the best of our information and explanations given to us.

"WILLIAMSON, SHIACH, SALES, GIBSON & MIDDLETON"

Chartered Accountants.

Toronto, Ontario, November 5, 1958.

THE IMPERIAL *Pro-glaze* PAINTS LTD.

ANNUAL REPORT

for the

Year Ended August 31st, 1958

DIRECTORS

G. C. McEWEN..... *President*
A. J. BODIE... *Vice-President and General Manager*
M. E. GOODING..... *Vice-President*
F. S. GRUNDY..... *Vice-President in charge of
Research and Sales*
S. E. CLARK..... *Secretary-Treasurer*
H. FRY..... *Director*

STOCK TRANSFER AGENTS
NATIONAL TRUST COMPANY LIMITED

BANKERS
CANADIAN BANK OF COMMERCE
Toronto